

NEW JERSEY TURNPIKE AUTHORITY

CODE OF ETHICS

I. PURPOSE

To state the Code of Ethics policy for the New Jersey Turnpike Authority (hereinafter referred to as the “Authority”).

This Code is intended to complement the New Jersey Conflicts of Interest Law (N.J.S.A. 52:13D-12, et seq.) (“Conflicts Law”) and Executive Order No. 10 (McGreevey 2002) (the “Executive Order”) and to establish the general standards of conduct necessary for the proper and efficient operation of the Authority. This Code of Ethics shall apply to all employees, special employees, and members of the Authority as defined in this Code of Ethics.

II. DEFINITIONS

“**Code**” shall mean this Code of Ethics.

“**Employee**” shall mean any person employed by the Authority, not including a “Special Employee” as that term is herein defined.

“**Ethics Liaison Officer**” shall mean the individual designated by the Authority’s Executive Director to administer the requirements of this Code.

“**Executive Director**” shall mean the individual serving as the Executive Director and Chief Executive Officer of the Authority.

“**Interest**” shall mean:

- (1) the ownership or control of more than 10% of the profits or assets of a firm, association, partnership or similar business entity, or more than 10% of the stock in a corporation for profit other than a professional service corporation organized under the “Professional Service Corporation Act,” P.L.1969, c. 232 (C. 14A:17-1 et seq.); or
- (2) the ownership or control of more than 1% of the profits of a firm, association, partnership or similar business entity or more than 1% of the stock in any corporation whose stock is traded on an established securities market; or
- (3) ownership or control of more than 1% of the profits of a firm, association, partnership or similar business entity, or more than 1% of the stock in any corporation, which is the holder of, or an applicant for, a casino license or in any holding or intermediary company with respect thereto, as defined by the “Casino Control Act,” P.L.1977, c. 110 (C. 5:12-1 et seq.)

- (4) ownership or control of, or professional employment by, a professional service corporation regardless of the extent or amount of the shareholder interest; or
- (5) ownership, control, or holder of any note, loan, mortgage or similar extension of credit to a firm, association, partnership or similar business entity, if the amount owed is 10% or greater of the total debt owed by the firm, association, partnership or similar business entity, or in the case of a corporation whose stock is traded on an established securities market, the amount owed is 1% or greater of the total debt owed by the corporation.

“Interested party” means:

- 1. Any person, or employee, representative or agent thereof, who is or may reasonably be anticipated to be subject to the regulatory, licensing or supervisory authority of the Authority;
- 2. Any supplier, or employee, representative or agent thereof;
- 3. Any organization that advocates or represents the positions of its members to the Authority; or
- 4. Any organization, a majority of whose members are as described in paragraphs 1 through 3 above.

“Member” shall mean any of the eight (8) members of the Authority (“Member”) and any other individuals officially designated to lawfully vote on Authority matters, as established by N.J.S.A. 27:23-1 et seq., as it may be amended.

“Member of the immediate family” means the person’s spouse, child, parent or sibling residing in the same household.” [N.J.S.A. 52:13D-13i]

“Relative” means an individual’s spouse or the individual’s or spouse’s parents, child, brother, sister, aunt, uncle, niece, nephew, grandchild, great-grandchild, son-in-law, daughter-in-law, stepparent, stepchild, stepbrother, stepsister, half brother or half sister, whether the relative is related to the individual or the individual’s spouse by blood, marriage or adoption.

“Special Employee” means (1) any person, other than a “member,” which term is separately defined herein, holding an office or employment with the Authority for which office or employment no compensation is authorized or provided by law, or no compensation other than a sum in reimbursement of expenses, whether payable per diem or per annum, is authorized or provided by law; (2) any person, other than a member, holding a part-time elective or appointive office or employment with the Authority.

III. BASIC PREMISE

The Authority, as an independent authority of the State government, exists to serve the public interest. All employees, special employees and members must therefore conduct themselves in the course of their duties so as to hold the respect, trust and confidence of the public. They must avoid any activities or associations which are, or might justifiably appear to be, in violation of the public interest. All employees, special employees and members are subject to the provisions of the Executive Order, the Conflicts Law and applicable implementing regulations promulgated by the New Jersey Executive Commission on Ethical Standards (“Executive Commission”), N.J.A.C. 19:61-1.1 et seq.

IV. GENERAL RULES OF CONDUCT

A. No employee, special employee or member should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity, which is in substantial conflict with the proper discharge of his or her duties in the public interest.

B. No employee subject to financial disclosure by law or the Executive Order shall be permitted to retain any interest in any closely-held corporation, partnership, sole proprietorship, or similar business entity doing business with any Federal, State, interstate or local government entity, as defined in the Executive Order, except as permitted by the Executive Commission pursuant to the Executive Order.

C. No employee, special employee or member should engage in any particular business, profession, trade or occupation, which is subject to licensing or regulation by a specific agency of State government without promptly filing notice of such activity with the Ethics Liaison Officer, who shall then file same with the Executive Commission.

D. No employee, special employee or member should use or attempt to use his or her official position to secure unwarranted privileges or advantages for himself, herself or others.

E. No employee, special employee or member should act in his or her official capacity in any manner wherein he or she has a direct or indirect personal financial interest that might reasonably be expected to impair his or her objectivity or independence of judgment.

F. No employee, special employee or member should undertake any employment or service, whether compensated or not, which might reasonably be expected to impair his or her objectivity and independence of judgment in the exercise of his or her official duties.

G. No employee, special employee or member should accept any gift, favor, service or other thing of value under circumstances from which it might be reasonably inferred that such gift, service or other thing of value was given or offered for the purpose of influencing him or her in the discharge of his or her official duties.

H. No employee, special employee or member should knowingly act in any way that might reasonably be expected to create an impression or suspicion among the public having knowledge of his or her acts that he or she may be engaged in conduct which violates his or her trust as an Authority employee or Authority member.

I. Confidential information (information not available to the general public) shall not be: willfully disclosed to unauthorized persons either during Authority service or after separation from the Authority; used by the employee, special employee or member to further his or her private interests; or used by the employee, special employee or member, directly or indirectly, for pecuniary gain or to make any investments or other financial transactions.

J. No employee, special employee or member shall use Authority resources, property, and funds for personal gain or benefit.

1. Authority property, including office supplies, cars, funds, and other resources may only be used for Authority business and not for personal or private use.

2. Likewise, Authority employees, special employees, or members may not utilize Authority business time, whether their own or that of other employees, for personal or private purposes.

K. No employee, special employee or member shall make, directly or indirectly, or advise or otherwise assist any other person to make any financial investment based upon information available to him/her through his/her official position, unless such information is generally available to the public and provided that such investment or related advice and assistance is made or given in a manner consistent with the other provisions of this Code, the Conflicts Law and any other applicable provisions of the law.

L. Those employees or special employees holding the title of Assistant Director or higher are prohibited from having any personal contractual or business relationship with another employee or member of the Authority.

M. A relative of a member shall not be employed by the Authority. [N.J.S.A. 52:14-7.1]

V. CASINO PROHIBITION

A. Concurrent Employment Restrictions

(1) No employee, nor any member of the immediate family of any employee, nor any firm, association, partnership, corporation or similar business entity in which the employee is associated or has an interest, directly or indirectly, shall hold an interest in or employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, or on behalf of any holding or intermediary company with respect thereto, unless in the judgment of the Executive Commission such employment will not interfere with the

responsibilities of the employee and will not create a conflict of interest, or a reasonable risk of the public perception of a conflict of interest on the part of the employee. An employee who is a “person” as defined in N.J.S.A. 52:13D-17.2 is not eligible to seek a waiver of the casino prohibition contained in this section.

(2) No special employee who has responsibility for matters affecting casino activity shall hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of any holder of, or applicant for, a casino license, or any holding or intermediary company with respect thereto. [N.J.S.A. 52:13D-17.2(b)]

(3) With advance written permission of the Authority, a special employee who does not have responsibility for matters affecting casino activity may hold employment directly with any holder of or applicant for a casino license or any holding or intermediary company thereof and if so employed, may hold, directly or indirectly, an interest in, or represent, appear for, or negotiate on behalf of, his employer, except as otherwise prohibited by law. [N.J.S.A. 52:13D-17.2(b)]

B. This section shall not apply to the spouse of an employee or special employee, provided that the employee or special employee does not have responsibility for matters affecting casino activity, who becomes the spouse subsequent to the employee’s or special employee’s employment with the Authority, and who is not individually or directly employed by a holder of, or applicant for, a casino license, or any holding or intermediary company.

C. No employee subject to financial disclosure requirements by law or the Executive Order shall solicit or accept any complimentary service or discount from any casino applicant or licensee which he or she knows or has reason to know is not offered to members of the general public in like circumstances.

D. After-Employment Casino Restrictions

(1) No employee subject to financial disclosure by law or the Executive Order, nor any member of his immediate family, nor any firm, association, partnership or similar business entity with which the employee is associated or in which he has an interest, directly or indirectly, shall, within two years subsequent to the termination of the office or employment of the employee, hold an interest in or employment with, or represent, appear for, or negotiate on behalf of, any holder of, or applicant for, a casino license, or on behalf of any holding or intermediary company with respect thereto in connection with any phase of casino development, permitting, licensure, or any other matter whatsoever related to casino activity. [N.J.S.A. 52:13D-17.2(c)]

(2) Exceptions to paragraph D(1)

a. A member of the immediate family of an employee subject to financial disclosure by law or the Executive Order may hold

employment with the holder of or applicant for a casino license, if, in the judgment of the Executive Commission, such employment will not interfere with the responsibilities of the employee and will not create a conflict of interest, or a reasonable risk of the public perception of a conflict of interest, on the part of the employee.

b. An employee subject to financial disclosure by law or the Executive Order, who did not hold a policy-making position, who is terminated as a result of a reduction of the workforce at the Authority, may accept employment with the holder of, or applicant for, a casino license, if in the judgment of the Executive Commission as allowed by law, such employment will not create a conflict of interest, or a reasonable risk of the public perception of a conflict of interest, on the part of the employee.

VI. CONTRACTS WITH STATE AGENCIES

A. No employee or member shall knowingly him or herself or by his or her partners or through any corporation which he or she controls or in which he or she owns or controls more than one percent of the stock, or by any other person for his or her use or benefit or on his or her account, undertake or execute, in whole or in part, any contract, agreement, sale or purchase of the value of \$25.00 or more, made, entered into, awarded or granted by any State agency, including the Authority, except as provided in subsection (C) below.

B. No special employee having any duties or responsibilities in connection with the purchase or acquisition of property or services by the Authority shall knowingly him or herself, by his or her partners or through any corporation which he or she controls or in which he or she owns or controls more than one percent of the stock, or by any other person for his or her use or benefit or on his or her account, undertake or execute, in whole or in part, any contract, agreement, sale or purchase of the value of \$25.00 or more, made, entered into, awarded or granted by the Authority except as provided in subsection (C) below.

C. The provisions of subsections (A) and (B) shall not apply to:

(1) purchases, contracts, agreements or sales which are made or let after public notice and competitive bidding, or which, pursuant to N.J.S.A. 52:34-10, may be made, negotiated or awarded without public advertising for bids provided that any such purchase, sale, contract or agreement including a change in orders and amendments thereto, shall receive the prior approval of the Executive Commission; or

(2) any contract of insurance entered into by the Director of the Division of Purchase and Property in the Department of Treasury pursuant to N.J.S.A. 52:27B-62, if such purchases, contracts or agreements, including change orders

and amendments thereto, shall receive prior approval of the Executive Commission.

VII. APPEARANCES BEFORE STATE AGENCIES

A. No special employee or member, nor any firm, association, partnership, corporation or similar business entity in which he or she has an interest shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of any person or party in connection with any cause, proceeding, application, or other matter pending before the Authority.

B. No employee or member, nor any firm, association, partnership, corporation or similar business entity in which he or she has an interest shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of any person or party, other than the State, in connection with any cause, proceeding, application, or other matter pending before any State agency.

C. Nothing contained in this section shall be deemed to prohibit any special employee, employee, or member from representing, appearing for, or negotiating on behalf of any person or party other than the Authority in connection with any proceeding:

- (1) pending before any court of record in this State;
- (2) in regard to a claim for Workers' Compensation arising under chapter 15 of Title 34 of the Revised Statutes;
- (3) in connection with the determination or review of transfer inheritance or estate taxes;
- (4) in connection with the filing of documents in the office of the Secretary of State;
- (5) before the Division on Civil Rights, the State Board of Mediation, the State Public Employment Relations Commission, or the Unsatisfied Claim and Judgment Fund Board for the purpose of filing a notice of intention pursuant to N.J.S.A. 39:6-65, or any successors thereof;
- (6) Before any State agency on behalf of a county, municipality, or school district, or any authority, agency or commission of any thereof, except where the State is an adverse party in the proceeding, and provided that the proceeding is not pending before the Authority.

VIII. DISCLOSURE AND AVOIDANCE OF CERTAIN CONFLICTS OF INTEREST

A. In the event an employee, special employee or member should have or acquire a direct or indirect financial interest in, or business dealings with, any individual or entity (or subsidiary or affiliate thereof) which seeks to do, or does business with the Authority, directly or indirectly, in any capacity, including, without limitation, as an applicant, consultant, contractor, attorney, architect, the member, employee or special employee shall, as soon as he or she knows of such interest, in addition to taking any other action required by law:

1. fully disclose any such ownership interest or business dealings in writing to the Authority's chief operating officer; and
2. (a) fully divest him/herself of the interest or discontinue the business dealings; or, (b) for an employee, member or special employee not required to file a financial disclosure statement by the Executive Order or by other law refrain from participating in all activities of the Authority relating to the individual or entity.

B. All employees and special employees shall annually complete and sign each year a "Conflicts, of Interest Law, Disclosure of Outside Office or Employment Statement" in which he or she shall identify all non-Authority offices held, all professional or occupational licenses held, and any outside employment and business interests. All outside activities reported on these statements must be reviewed and approved by the Ethics Liaison Officer in advance to avoid potential conflicts of interest. Pursuant to N.J.A.C. 19:61-2.2, the Ethics Liaison Officer shall send copies of all forms that disclose outside employment to the Executive Commission on Ethical Standards for review.

Pending or potential outside office or employment shall be requested and approved in advance of participation by the Ethics Liaison Officer and Executive Director. The Executive Director may allow employees or special employees to hold outside offices or employment provided there is no conflict of interest with the employee's official duties, and the employee or special employee does not use Authority offices, time or resources for the conduct of duties related to outside office or employment, whether compensated or uncompensated.

C. Members of the Authority and those employees holding the position of Assistant Director or higher, who are subject to the Executive Order or other law requiring financial disclosure, are required to file a Personal Financial Disclosure with the Executive Commission.

IX. RECUSAL GUIDELINES

A. An employee, special employee or member shall recuse him/herself from a matter if he or she has:

1. Any financial interest, direct or indirect, that is incompatible with the discharge of his or her duties as an employee, special employee or member; or

2. Any personal interest, direct or indirect, that is incompatible with the discharge of his or her duties as an employee, special employee or member; or
3. Been required to recuse himself or herself pursuant to an express provision of this Code.

B. For purposes of (A) above, an incompatible financial or personal interest includes, but is not limited to, outside employment; a debtor/creditor relationship; a fiduciary relationship; a source of income; any matter pertaining to a relative or cohabitant; a relationship with a person providing funds, goods or services without compensation; any matter pertaining to a business associate or business investment; and a leadership role in a professional or trade organization; which interest might reasonably be expected to impair the employee's or member's objectivity and independence of judgment in the exercise of his or her official duties or might reasonably be expected to create an impression or suspicion among the public having knowledge of his or her acts that he or she may be engaged in conduct violative of his or her trust as an employee, special employee or member.

C. An incompatible financial or personal interest may exist in other situations which are not clearly within the provisions of (A) and (B) above, depending on the totality of the circumstances. The employee, special employee or member shall contact the Ethics Liaison Officer or the Executive Commission for guidance in such cases.

D. An employee, special employee or member shall seek the advice of the Ethics Liaison Officer, the Authority's legal counsel, or the Executive Commission as to the propriety of participation in a matter if a person requests that the employee, special employee or member recuse himself or herself from that matter. Oral advice may be provided by the Ethics Liaison Officer, the Authority's legal counsel, or the Executive Commission in order to avoid delay. Oral advice should subsequently be memorialized in written form.

E. If an employee, special employee or member finds, or is advised by the Authority's legal counsel or by the Ethics Liaison Officer, that an incompatible financial or personal interest exists regarding a matter, the employee, special employee or member must recuse himself or herself from that matter or seek advice from the Executive Commission. The recusal must be absolute; that is, the employee, special employee or member must have no involvement with the matter from which he or she has recused himself or herself.

F. All recusals, other than those provided for in (G) below, shall be memorialized in writing. The writing shall:

1. Specify the reason for and the date of the recusal;
2. Specify the duration of the recusal (which may be expressed in terms related to the pendency of the matter in the Authority);

3. Specify the effect of the recusal on the employee, special employee or member and the Authority (for example, that the employee, special employee or member is not to be contacted or involved or participate in any manner concerning the matter from which he or she has been recused);

4. Name the person who is to assume responsibility and authority for the matter from which the employee, special employee or member has been recused (if applicable); and

5. Be disseminated to all persons who might be affected by the employee's, special employee's or member's recusal and to the Ethics Liaison Officer, who shall maintain the writing for as long as the employee, special employee or member serves in his or her position.

G. In the case of a Board meeting where a public record of a proceeding is maintained, formal written recusal is not required; however, the following procedures must be followed:

1. To the extent feasible, meeting materials involving a matter from which the member must recuse himself or herself shall not be distributed to the member;

2. At the subject meeting, the member must place his or her recusal and the reason for such recusal on the record prior to any discussion of the matter; and

3. The member shall leave the room at a non-public portion of the meeting while the matter in question is under discussion.

H. The foregoing shall not relieve an employee, special employee or member from the requirement to divest himself or herself of the interest as required pursuant to the Executive Order or other law.

X. ATTENDANCE AT EVENTS

A. Upon proper approval and in accordance with the Authority's travel guidelines, the Authority will reimburse the reasonable expenses of employees and special employees on Authority business authorized by the Executive Director (or designee). The Authority will reimburse, or agree to allow the sponsor to reimburse, the reasonable expenses of members on Authority business in accordance with the regulations promulgated by the Executive Commission that address attendance at events at N.J.A.C. 19:61-6.4 and 6.5.

B. The employee, special employee or member shall not accept an honorarium or fee for a speech or presentation at any event that he or she attends in connection with his or her official position with the Authority or at an event sponsored by a person, supplier or trade group which is licensed, regulated, inspected or otherwise doing business with the Authority, contemplating doing business with the Authority or seeking to influence official action, which invitation is extended because of his or her official position with the Authority.

C. Any employee, special employee or member who receives an invitation as a result of his or her official position with the Authority to any business-related function (such as a conference, ground-breaking, ribbon-cutting, meal, open house, cocktail party, fundraiser, holiday party, other social function, or an appearance involving an honorarium, etc.) from or with a firm or person doing business with the Authority shall report the invitation to the Ethics Liaison Officer. A determination will be made after taking into account appropriate guidelines of the Executive Commission in consultation with the appropriate persons as to whether (1) representation of the Authority is appropriate; (2) acceptance of the invitation is in conflict with the Code; and/or (3) the Authority should underwrite the costs incurred for participation in the activity as an alternative to accepting the invitation as offered.

XI. RECEIPT OF GIFTS AND FAVORS

It is the policy of the Authority that no employee, special employee or member shall accept any gift or other item of value for any service, advice, assistance or other matter related to his or her official duties from any firm, organization, association, or individual doing business with the Authority or those that could reasonably be expected to do business with the Authority.

Any employee, special employee or member who receives a gift, benefit, favor or other thing of value, either directly or indirectly and whether by himself or herself, or through a spouse or family member, from a person or entity with whom the employee, special employee or member has had contact in his or her official capacity, shall immediately report receipt of the item to the Ethics Liaison Officer. The gift or other thing of value shall be remitted immediately to the Ethics Liaison Officer. Upon review of the notification, the Ethics Liaison Officer shall determine whether the item may be accepted or retained, or whether such receipt would create an impression of a conflict of interest, appearance of impropriety, or violation of the public trust. Only those items which have a trivial or nominal value and which do not create the impression that the employee, special employee or member endorses a particular product or service will be deemed suitable for acceptance or retention.

An employee, special employee or member shall report all offers and receipt of all gifts or other thing of value for any service, advice, assistance or other matter related to his or her official duties to the Ethics Liaison Officer, who in consultation with the Authority's Executive Director, will review the circumstances of the offer or gift and determine the proper course of action to return or redirect the gift in accordance with the Guidelines of the Executive Commission. The Ethics Liaison officer shall keep records of all such occurrences, including names of the employees, special employees or members, the individuals and companies involved, and final disposition of the gift or other thing of value.

XII. RETIREMENT GIFTS

A. Gifts may be funded by a maximum contribution of \$5 per person, collected from invitees to the retirement function. If this method of funding is used, no maximum value

is set for the cost of the gifts, but contributions of more than \$5 per invitee are not permitted; or

B. The maximum value of retirement gifts cannot exceed \$1,000. If this method is used, there is no maximum set on individual contributions, but the total value of retirement gifts and/or monetary tokens to the retiree, spouse and dependent(s) cannot exceed \$1,000. If, instead of presenting gifts and/or monetary tokens to the retiree, spouse and dependent(s), a decision is made to make a monetary contribution to a qualified organization [under I.R.S. Code 501(3)], no limit is placed on the maximum value of the contribution.

XIII. POST-EMPLOYMENT GUIDELINES

No employee, special employee or member, subsequent to the termination of his or her employment or office at the Authority, shall represent, appear for, negotiate on behalf of, or provide information not generally available to members of the public or services to, or agree to represent, appear for, negotiate on behalf of, or provide information not generally available to members of the public or services to, whether by himself or herself or through any partnership, firm, association, corporation or similar business entity in which he or she has an interest or through any partner, officer or employee thereof, to any person or party other than the State in connection with any cause, proceeding, application or other matter with respect to which such employee, special employee or member shall have made any investigation, rendered any ruling, given any opinion, or been otherwise substantially and directly involved at any time during the course of his or her employment or office. Detailed post-employment guidelines are available from the Ethics Liaison Officer or Human Resources. Any employee, special employee or member who willfully violates the provisions of this section is a disorderly person, and shall be subject to a fine not to exceed \$500.00 or imprisonment not to exceed 6 months, or both. [N.J.S.A. 52:13D-17]

Any former employee affected by the above restriction can seek guidance from the Executive Commission.

XIV. VIOLATIONS AND ENFORCEMENT

An employee, special employee or member who violates this Code may be subject to sanctions in accordance with the Conflicts Law, N.J.S.A. 52:13D-12 et seq. These sanctions may include fines, removal or suspension from office and ineligibility for future State employment. Employees, special employees, and members who violate this Code may be subject to disciplinary action by the Authority, including but not limited to reprimand, suspension, demotion or termination.

All employees, special employee and members are advised to strictly adhere to this Code and to seek advice from the Ethics Liaison Officer or the Executive Commission if they have any questions concerning their obligations under this Code.

The Executive Commission periodically issues and updates its guidelines. Copies of the Conflicts Law and Executive Commission guidelines are available on the Executive Commission's website at www.nj.gov/lps/ethics.